

**DEPARTMENT OF HUMAN SERVICES
FY 2008-09 BUDGET HEARING**

**Executive Director's Office, Information Technology Services
County Administration, Self Sufficiency, and Adult Assistance**

**Wednesday, December 19, 2007
1:30 p.m. to 5:00 p.m.**

1:30 – 1:40

Introductions and General Overview

1:40 – 2:20

Colorado Benefits Management System (Jointly with Health Care Policy and Financing)

General CBMS questions:

The Colorado Benefits Management System (CBMS) has been in production since September 1, 2004 and supports 94 types of services for clients. The Colorado Department of Health Care Policy and Financing and the Colorado Department of Human Services jointly manage the system. The system has had performance issues since going into production and the departments are currently working to resolve the top issues as identified by the counties. The departments are also in the process of reprocurring the ongoing contract for vendor maintenance and support, and finalizing the federal financing for the operation of the system.

- 1. Is the increase in DI #15 (\$2.8 million TANF-related changes to CBMS) a request for one-time funding?**

Response

The request is for ongoing spending authority to fund system changes in CBMS. If the funds go unspent, they revert to the Long-Term Reserve pursuant to section 26-2-721 C.R.S.

Such system changes include the following:

- Programming changes to ensure complete and accurate data reporting to the federal government.
- Reports to assist counties in complying with work verification procedures under the Deficit Reduction Act (DRA).
- Reports that assist with State and county supervisory case file review.

- Programming changes to refine the existing Numerator Denominator report provided to the counties to more closely match the federal methodology for calculating work participation rates.
- Programming changes to allow more accurate reporting regarding work eligible individuals and appropriate work activities.

These potential changes were developed in cooperation with counties as part of the deliberations of the Colorado Works Work Participation Task Force. The changes would address many current State and county concerns regarding CBMS and compliance with the DRA.

2. Are there still problems at the county level regarding CBMS? What changes have the counties requested? Do these requested changes have merit? Have the departments requested funding to support the technical changes that the counties want to have made?

Response

The counties continue to experience difficulties with CBMS. In early 2007, the CBMS operational processes underwent an extensive examination. This examination was achieved through a partnership with CDHS, HCP&F and the County Social Services Directors Association. Some of the results of this examination included:

- A new support CBMS organizational structure with joint operational control by CDHS & HCP&F.
- Creation of the CBMS Advisory Committee comprised of representation of County Commissioners, County Social Services Directors, Medical Assistant Sites and State Staff.
- Creation of the CBMS Leadership team comprised of Directors of CDHS, and HCP&F.
- A new business process to ensure the needs of both CDHS & HCP&F are addressed.
- A new Change Control process for addressing system improvements.

These changes had a specific goal of addressing issues impacting how counties delivered services through CBMS. Overall county use of CBMS has had steady improvement. New training programs have been developed and implemented, many counties have enhanced their internal operational procedures and county staff are actively involved in numerous operational/procedural improvements.

One of the most significant developments by the state agencies in partnership with the county agencies has been the identification of the CBMS top issues list. The purpose of the list is to focus resources on the most important priorities for

improving the CBMS. Business processes have been developed for addressing each of the top issues. The top issues identified are following:

- Cases Exceeding Processing Guidelines
- Client Correspondence
- Family Medical Decision Table Rules
- Improving Sanctions Screens
- Improving The Re-determination Track
- Changes To TANF Time Clock
- County Staff Training
- Disaster Recovery Preparedness
- Claims Processing

In regards to funding, the CBMS system has multiple sources of funding to address changes. For FY 2007-08, \$3,129,349 was provided as additional funding to specifically address top issues. Included in this funding is an additional \$1,543,425 in the base appropriation for system improvements for future years. The CBMS maintenance contract includes 560 hours of support for routine maintenance and for changes necessary to address top issues. In addition, funding may be provided for special projects through new legislation and program specific requests.

The Departments limited additional funding for FY 2008-09 to Decision Item #15 for the following reasons:

- The system support contract is in the process of re-procurement. During this re-procurement, system improvements will stop for approximately six months if the contract is awarded to a new vendor. During the transition period to the new vendor, the current vendor will have responsibilities such as training the new vendor, handing over control, ensuring the system remains stable during the transition and any system improvements made prior to the beginning of the transition have had corrections made if problems are encountered. If the contract is awarded to the incumbent, the transition period could be decreased.
- The volume of changes that can be made and supported in CBMS at any one time has a capacity limit. We have estimated that the current workload is a safe maximum limit. All system changes require extensive testing before production to prevent negative impacts. During the past twelve months nearly 200 system improvements have been made, examples of the improvements that have been made, are: family medical decision table, verification check-list, benefit recovery, client correspondence, and ability to view case history.

3. Has the dissolution of the Office of CBMS increased the cooperation between the two departments?

Response

When Governor Ritter signed Executive Order D 005 07 dated February 15, 2007 rescinding Executive Order D 00405 and dissolving the Office of CBMS, the Colorado Department of Human Services and the Colorado Department of Health Care Policy and Financing assumed joint management and control of CBMS. Staff from both Departments initiated a variety of activities to improve day-to-day operational activities, business processes, communication and coordination to enhance overall CBMS systems functionality. Some of those activities such as the creation of the CBMS Leadership Team, the CBMS Advisory Committee, the CBMS Prioritization Workgroup, the CBMS Business Process Review Workgroup reflect the commitment and increased cooperation by both Departments to work more collaboratively.

There will always be inherent challenges and risk associated with a system that is subject to oversight by multiple federal agencies with different program policies and requirements. For example, the health care programs are subject to frequent legislative and policy-driven changes - systems must turn on a dime. Outside providers must coordinate with the system to verify eligibility at the time services are rendered. Department of Human Services programs such as Food Stamps have very prescriptive oversight requirements by the federal oversight agency, the Department of Agriculture, Food and Nutrition Services, which impact all programs within CBMS.

However, under the new leadership of the Executive Directors of both Departments, much has been accomplished to address CBMS issues. With any complex and dynamic integrated system such as CBMS, ongoing system enhancements and improvements are to be expected. With a new plan and focus to direct the day-to-day activities of CBMS, the Departments are confident that the clients eligible for program services will be better served.

4. Why are the costs for the changes associated with S.B. 07-211 (in the Footnote #51 report) higher than was estimated in the Fiscal Note?

Response

During the 2007 legislative session, the Colorado Legislature passed SB 07-211, which required the Department to modify the Colorado Benefits Management System so that it could handle presumptive eligibility for children enrolled in Medicaid and the Children's Basic Health Plan. During the legislative process, the Department of Health Care Policy and Financing was required to submit a fiscal note detailing the cost of implementing SB 07-211, which included the anticipated costs of the Colorado Benefit Management System changes. At that time, the Department of Health Care Policy and Financing estimated that the changes to the Colorado Benefits Management System would cost \$59,600 based upon previous experience.

Unfortunately, the Department of Health Care Policy and Financing was unable to receive an estimate from the Colorado Benefits Management System's operations vendor, Electronic Data Systems (EDS), before the fiscal note was due to the legislature. However, after the passage of SB 07-211, EDS submitted an estimate that detailed the work required to complete the changes. That estimate is for \$304,204 and is substantially greater than the amount of funding the Department of Health Care Policy and Financing requested for the necessary changes. The Department of Agriculture and the Food and Nutrition Services which has Federal oversight for the Food Stamps program has very strict requirements about the extent of information that can be seen by other high level programs within the Colorado Benefits Management System. The security requirements of the Food Stamps program accounts for the significant increases in costs to implement SB07-211 with the Colorado Benefits Management System."

5. Can the departments identify CBMS change requests that may be exempt from the six percent General Fund limit?

Response

No. The statute related to the 6% limit is found in 24-75-201.1(1)(a)(II)(B), C.R.S. (2007). Appropriations made to comply with a final court order requiring new programs or services or a new level of services are exempt from the limit. The current legal matters do not relate to a court order, but rather from sanctions imposed for alleged overpayments.

Questions regarding CBMS refinancing:

6. When did the system change from development to operation?

Response

The system became operational in September 2004. Although the State did not accept the system at that time, it was considered operational since there were no parallel or backup systems.

7. Can the departments provide a probable time frame when new CBMS funding formula(s) will be approved?

Response

It is possible the funding formulas for the FY 2005-06 Public Assistance Cost Allocation Plan (PACAP) will be approved in February 2008. Given the Department does not expect significant changes to the CBMS Random Moment Sampling (RMS) cost methodology for FY 2006-07, the approved FY 2005-06 plan can be applied to

FY 2006-07. However, as a condition for approving the FY 2005-06 methodology, the federal Division of Cost Allocation (DCA) required a comprehensive review of the CBMS RMS methodology during FY 2007-08 to determine if there was a need to add or delete RMS activities. If no changes are needed, the FY 2005-06 plan can be applied to FY 2007-08 as well. If changes are needed, the FY 2005-06 plan can be applied to FY 2007-08 until the FY 2007-08 plan is approved.

The Department of Health Care Policy and Financing is interested in conducting a more detailed analysis of the Random Moment Sampling Methodology as part of the FY 2007-08 review. Once the analysis is completed and the Departments are in agreement, the Department of Health Care Policy and Financing must submit a State Plan Amendment for the Centers on Medicare and Medicaid to review and approve. We anticipate the new methodology would be effective 3 months after the submission of the State Plan Amendment and final approval by CMS.

- 8. Will it be possible to repay the federal CBMS funding over time, or must it be repaid in a single payment? Can the repayment take the form of reduced federal funding for a period of future time? Will we actually have to "cut a check"?**

Response

Federal repayments are typically settled by booking a credit expenditure which results in a corresponding negative draw on the Letter of Credit. Consequently, the funding for all subsequent expenditures defaults to General Fund until the amount of the negative draw is liquidated, after which, the normal positive draw for federal funding is restored on the Letter of Credit. This method is a form of reduced federal funding for a period of future time. At the request of a specific Federal Operating Division, the department can generate a warrant to settle repayment rather than utilize the Letter of Credit process.

Once the SFY2006 plan is approved, the specific Federal Operating Divisions will require an immediate recast of expenditures for SFY2006. In addition, the approved SFY2006 plan must also be immediately applied to all subsequent years until a new plan is approved.

- 9. If the new formula is to be significantly delayed, is there any reason that funding splits for the current year cannot be adjusted using a better approximation of the new formula in order to reduce the future obligations? Is there any reason that such an approximation could not be used for funding splits for FY 2008-09?**

Response

As stated in the previous response, per federal requirement the revised fund splits from the most recently approved PACAP will be used until the subsequent PACAP is

approved by DCA. This will result in a better approximation of correct allocation and will minimize future reconciling obligations.

Questions regarding reprocurement of the maintenance and operations support contract:

10. Please explain why the schedule for procuring a new contract has slipped relative to the schedule submitted with the request for RFP funding.

Response

Due to the recent change in OIT leadership and staff, OIT does not have the historical knowledge to discuss events that transpired prior to January 2007.

The proposed timeline that was submitted with the request for funding anticipated that the RFP Writing Vendor would be selected on 02/05/2007. Due to the magnitude and complexity of writing the RFP to procure the writing vendor, and the need to ensure a successful outcome given the importance of the deliverable, the State of Colorado did not contract with this vendor until the first part of July 2007. This is a slippage of 5 months and thereby delayed other milestones. The table below takes the slippage into account and shows the revised schedule accounting for the 5-month delay.

CBMS Vendor Re-Procurement RFP Timeline

Task	Original Start Date	Revised Start Date
Research Best Practices, etc.	4/1/2006	04/01/2006
Determine RFP Committee Membership	6/1/2006	06/01/2006
RFP Research -	7/14/2006	07/14/2006
Select RFP Writing Vendor	2/05/2007	07/05/2007
First RFP Draft	4/23/2007	09/23/2007
Review by Executive Directors and CIO's	6/25/2007	11/25/2007
Final RFP Development Start	7/23/2007	12/23/2007
Review by Federal Agencies	6/22/2007	11/22/2007
Review by Executive Directors and CIO's	8/06/2007	01/06/2008
RFP Released	8/20/2007	01/20/2008
RFP Responses Due	11/3/2007	04/03/2008
Review RFP Responses	11/06/2007	04/06/2008
Award of New Contract	11/22/2007	04/22/2008
Contract Negotiations	11/22/2007	04/22/2008
New Contractor Transition Overlap	12/31/2007	05/31/2008

Start of New Contract	7/1/2008	12/01/2008
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The above table illustrates a 5-month delay from the original schedule beginning on 02/05/2007.

With any project there are pressures on the schedule that cannot immediately be identified and therefore can cause delays. CBMS is a complex IT system that requires a tremendous amount of coordination and as such so does writing an RFP for such a system. Schedules needed to be coordinated between the Office of Information Technology, The Department of Health Care Policy and Financing, and The Department of Human Services. If individuals were out of the office, sick, or a more pressing priority came about, the project schedule was affected.

Upon signing the contract with the writing vendor and receiving an extension for Food and Nutrition Service (FNS), OIT and the other departments have been working off the following schedule.

Task	Start Date
Project Planning	07/09/2007
RFP Development	07/20/2007
Requirement Gathering	07/23/2007
Draft RFP to the State	10/29/2007
State Comments due	11/09/2007
RFP to FNS for Review	11/29/2007
FNS Review	11/30/2007-01/30/2008
RFP Released on BIDS	01/31/2008
Release Period	01/31/2008-04/01/2008
Proposals Due	04/01/2008
Evaluations	04/02/2008-04/29/2008
Notice of Intent to Award Made	04/30/2008
Contract Negotiations	04/30/2008-08/04/2008
Post Award	08/05/2008-09/05/2008
Transition Phase (8 Mo.)	08/05/2008-04/21/2009
Start of Operations	04/21/2009

The above table illustrates the current working schedule.

OIT is pleased to report that this schedule has largely been met. The only significant delay to date has been the delivery of the DRAFT RFP to FNS. This delivery was intended to occur on 11/29/2007, but instead occurred on 12/10/2007 or (7) seven business days behind schedule. FNS requires a 60-day review period, and therefore it is anticipated that the RFP release will be delayed by at least (7) business days. If FNS has concerns with or does not agree with portions of the RFP there could be further delays. To mitigate this risk FNS has agreed to alert us to any concerns they may have in “real time” rather than waiting until the sixtieth day.

11. Please explain the RFP contractor's current role in the reprocurement process.

Response

The current contractor is instrumental in working with the Departments to define the necessary requirements to write the RFP for a maintenance and operations vendor for CBMS. The contractor that was selected to assist the State of Colorado has a tremendous amount of experience in the health and human services field and is considered an expert in writing RFPs. It was determined early in the process that the State did not have the capacity to maintain daily operations of CBMS and write an RFP. Based on this consideration, the State contracted with a vendor to assist in the RFP creation. This vendor held numerous meetings with all the stakeholders to gather the necessary information and compile it into a document that serves as the RFP. In short, the current role of the contractor is to serve as an extension of the State of Colorado in writing the RFP for a Maintenance and Operations contractor.

12. Have the departments obtained permission for the necessary extension of the current contract from the federal agencies?

Response

Yes. The United States Department of Agriculture, Food and Nutrition Service (FNS) approved the extension of the current CBMS contract to April 2009 conditional upon a specified timeframe, FNS approval of the Request for Proposal (RFP) and FNS approval of a Corrective Action Plan.

CMS has indicated that they will be consistent with FNS in the ten-month extension as identified in their letter to the Colorado Department of Human Services. The existing eligibility system vendor contract for Medicaid and the Children's Basic Health Plan would then be extended based on the Food and Nutrition Service timeline.

2:20 – 2:30

County Administration Workload Study (Jointly with Health Care Policy and Financing)

For many years counties have reported that their costs to administer State public assistance programs have exceeded the amount of funding provided in the County Administration appropriation. Various ad hoc workgroups attempted to quantify the amount required to fully fund County Administration. In SFY2006-07 the Joint Budget Committee appropriated \$500,000 and directed the Department of Human Services and the Department of Health Care Policy and Financing to conduct a workload study to determine the appropriate level of funding for County Administration. The departments formed an oversight committee of State and county staffs to guide the process. JBC staff was also invited to participate. There was extensive collaboration from the design of the RFP through the drafting of the final report. The final report identified a funding need of \$85.2 million for County Administration. The report was delivered to the JBC in June 2007.

- 13. Does the level of the departments' request for funding for the County Administration line items reflect the results of the workload study? If so, how were the study results applied? If not, why not?**

Response

The level of requested funding for the County Administration line does not reflect the results of the workload study, as a legislative initiative is being proposed to address funding shortfalls. The departments have always been committed to a multi-year strategy for reducing any shortfall in funding. Governor Ritter provided funding for SFY2008 through a Governor's Budget Amendment and the Administration is supportive of a proposed legislative initiative that would provide additional funding in SFY2009. That initiative (detailed later in this document) would transfer funding appropriated in the County Contingency line to leverage federal funds for County Administration. The proposal would allow the State to make significant progress towards eliminating some of the funding shortfall identified in the workload study without the need for additional general fund.

In addition to identifying the appropriate level of funding for County Administration, the workload study also identified efficiencies that have the potential to streamline processes and reduce cost under the theme of Modernization Strategies. The departments are forming a workgroup to explore those proposed efficiencies and the impact on future funding requests. Examples include: Web-enabled Provider Access; Online Applications; Online Status Reports and Inquiries; Improved Outreach; and, Business Process Redesign.

- 14. If the study results are insufficient for objectively setting the funding level, do the departments anticipate any follow-on work to this study that would provide additional information that would allow the study results to serve as a basis for adjusting County Administration funding levels? Could the departments have managed the study differently in order to insure that the necessary information was collected?**

Response

The departments are confident the results of the workload study provide a sufficient basis to objectively set funding levels. It should be noted that the study was designed to be a funding model and not an allocation model. The methodology and statistical tools were structured to account for and normalize the variability in practices, resources, and demographics between counties. There is follow-up work that can be done to allocation model, including the “squeezes” that are used in other program areas. However, that is beyond the scope of the workload study.

There is also follow-up work that can be done that may impact the funding levels. While departments believe the study provides a basis for setting the funding level, a thorough evaluation of the modernization strategies recommended in the workload study needs to be completed in order to identify efficiencies and reduce costs.

The departments are also confident the workload study was appropriately managed and obtained the information requested by the Joint Budget Committee. The study involved close coordination between the State, the counties, and the vendor, Deloitte Consulting. Deloitte has extensive experience with costing models and assembled an expert team for the project. The high degree of State and county collaboration through every phase of the project serves as a model for future projects.

The departments have also shared the analysis prepared by the JBC analyst with Deloitte Consulting. Deloitte emphatically stands by the analysis underlying the study and has offered to meet with JBC staff to explain their methodology.

2:30 – 3:00

Departmental Goals and Objectives

The department has multiple hearings before the Joint Budget Committee and requested that the common hearing questions be addressed during the briefing for the Executive Director's Office. The Chairman agreed to that request.

15. What are your department's principal goals and objectives? What are the metrics by which you measure success or failure?

Response

The department established goals and objectives within four human service areas: prevention, safety, health and well-being, and independence. The goals and objectives are listed below. Eight metrics were developed to measure the department's success in accomplishing these objectives.

Prevention

Goal	Objective
Prevent the need for higher levels of service by providing effective intervention and prevention in the areas of treatment, education, life skills, and/or vocational training.	Increase the percent of clients/consumers showing improved functioning after receiving prevention or intervention services.

Performance Measure 1:

Young children will have the enhanced capacity to improve their competencies and talents. Increase the percentage of infants and toddlers participating in early intervention services who improve their acquisition and use of knowledge and skills (i.e., motor, cognition, speech, language, etc.) over the baseline that will be established in December 2007.

Outcome	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Current	FY 2008-09 Request
Benchmark	N/A	N/A	Increase over FFY 2007 baseline	Increase over FFY 2008 actual
Actual	N/A	Available in December 2007		

Performance Measure 2:

The percentage of children who exited foster care to a finalized adoption in less than 24 months from foster care entry will exceed 50%. (The national average is 32%.)

Outcome	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Current	FY 2008-09 Request
Benchmark	32%	50%	50%	50%
Actual	51%	61%		

Safety

Goal	Objective
Promote safety for the community, clients, and employees.	Reduce the percent of serious incidents involving the community, clients and employees.

Performance Measure 3:

To assure resident safety, independence, and health and well being, the number of falls per patient for the State and Veterans Nursing Homes will decrease each year.

Outcome	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Current	FY 2008-09 Request
Department Benchmark	NA	NA	Tracking System Under Development	NA
Actual	NA	NA		

Performance Measure 4:

Decrease recidivism and improve the stability and self-sufficiency of committed youth by achieving a rate of 75% of youth either employed or in school at discharge.

Outcome	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Current	FY 2008-09 Request
Benchmark	75%	75%	75%	75%
Actual	71%	73.4%		

Health and Well-Being

Goal	Objective
Improve the level of physical, mental and social functioning of individuals.	Increase the percent of clients/consumers showing improved functioning.

Performance Measure 5:

Reduce overall symptom severity of persons with mental illness served in the public mental health system.

Outcome	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
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	Actual	Actual	Current	Request
Benchmark	25.6%	26.7%	27.8%	30.0%
Actual	26.7%	27.8%	NA	NA

Performance Measure 6:

Improve access to food and nutrition resources for children, seniors, and adults through the timely processing of federal food stamp benefits.

Outcome	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Current	FY 2008-09 Request
Benchmark	80%	82%	85%	90%
Actual	70%	72%		

Independence

Goal	Objective
Promote stability, permanence and self-sufficiency.	Increase percent of clients with improved stability or self-sufficiency, or who achieve permanence in their living environment.

Performance Measure 7:

Increase the amount of income added to the Colorado economy in the first three months of work as a result of vocational rehabilitation clients obtaining and maintaining employment toward self-sufficiency.

Outcome	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Current	FY 2008-09 Request
Benchmark	N/A	N/A	\$7.6 million	\$7.9 million
Actual	\$6.7 million	\$7.2 million		

Performance Measure 8:

Integrated employment should be considered as the primary option for all persons receiving Day Habilitation Services and Supports. Increase the percentage of adults with developmental disabilities in the community enrolled in day services that have integrated employment.

Outcome	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Current	FY 2008-09 Request
Benchmark	30.0%	30.9%	31.9%	33.0%
Actual	30.1%	29.0%		

16. Given the change in the Administration, have there been any changes to your department's principal goals and objectives since last year?

Response

Yes. The goals and objectives listed above are the direct result of collaboration between the Department and the new Administration. The Department worked closely with the Governors Office of State Planning and Budgeting to develop goals and objectives that supported the vision of the new Administration. The Department focused on the key elements of the Colorado Promise for improving the effectiveness of human service programs, including: reducing recidivism; addressing the mental health needs of Colorado citizens; and, providing for the needs of persons with developmental disabilities.

The Department also sought to make the goals and objectives readily understandable to the public and policymakers. In the past the Department received criticism that its goals, while well stated, did not necessarily reflect a human services agency. The Department believes the current goals and objectives are more streamlined and provide a better sense of the metrics and outcomes the Department seeks to achieve through its programs.

17. What progress did you make during the last year in achieving your goals?

Response

Division of Youth Corrections

- The Division of Youth Correction's commitment population has decreased significantly over the last 18 months, reaching a recent low of 1,310 average daily population (ADP), in the month of September, down from 1,480 ADP just 18 months ago. Prior to these recent trends, the Division had experienced a growth in commitment ADP in each of the 14 years preceding the Continuum of Care Initiative.
- The Division of Youth Corrections continues to implement the Colorado Juvenile Risk Assessment (CJRA), which is designed to improve the Division's ability to identify and reduce specific criminogenic risk factors and allow for an efficient use of resources with interventions targeted at a youth's risk and needs.

Office of Behavioral Health and Housing

- The Office of Behavioral Health and Housing complied with the Zuniga Settlement Agreement regarding competency evaluations and restorations in January 2007.

Office of Adult, Disability and Rehabilitation Services

- Aging is projected to continue to exceed their goals (29% or 31 of 105 slots) for increased employment of individuals aged 55 and older thereby decreasing reliance on public benefits and increasing self-sufficiency.
- Seventy percent of the individuals who successfully complete vocational rehabilitation programming maintain stable employment for at least 90 days thus exceeding the national average of 60.2%.
- Vocational rehabilitation clients have increased the amount of income added to the Colorado economy, based on the actual first three months of community employment in FY2008, by \$ 7.6 million annualized.

Office of Information Technology

- Steady progress has been made over the last three years improving the amount of time key CDHS systems are available on-line to state and county staff for supporting clients services. Systems such as CBMS, Trails, AVATAR (Hospital system), were initially available on-line 98.4% of the time. They are now averaging 99.7%. CDHS anticipates meeting the target for fiscal year 2007 - 2008 of 99.8%.
- Progress has also been made in improving the timely resolution of reported problems for all IT systems and services from an initial measurement of 87.9% to a current 91%.
- The State of Colorado TRAILS system has become the ninth in the nation to achieve status of "State Automated Child Welfare Information System (SACWIS) Certification".

18. How is the additional money provided to your department in FY 2007-08 being used to achieve your goals? What improvements is your department making in its outputs?

Response

Division of Youth Corrections

- According to individual judicial district annual service plans, SB 94 programs will spend in excess of \$1.0 million on evidence-based programs and practice during FY 2007-08. Evidence-based programs are programs that have been proven through research to be effective. Implementation of these programs through SB 94 is one of several strategies within the Division targeted to reduce commitment average daily population (ADP).

Behavioral Health and Housing

- Using the funding received from the legislature for a 20-bed unit for competency evaluations and restorations, the Office of Behavioral Health and Housing has remained in compliance with the Zuniga Settlement Agreement regarding competency evaluations and restorations since January 2007. This funding allowed the Department to keep up with the demand for such services from the courts, provide efficient and quality services and ensure

staff safety in the provision of such services, all of which are goals of the Mental Health Institutes within the Department of Human Services.

- Behavioral Health Services was able to fund a number of pilot programs and services designed to reduce costs in other more expensive public systems. This included services to an additional 446 indigent persons with severe mental illness and pilot programs for family advocacy, juvenile and adult offenders and veterans. Each pilot has funding for evaluating effectiveness and the Department is monitoring effectiveness of mental health services through demonstrated improvement in the levels of functioning of persons receiving services.

Office of Information Technology

- The Department was provided with \$3.1 million for implementing changes to address the top ten county and state issues with CBMS. The top ten issues impacting the successful operations of CBMS include: processing claims; confusing client notices; inaccurate client sanctions; and, client benefit determination.
 - Significant progress has been achieved in all areas
 - Several work groups were formed with state and county personnel to identify issues and resolutions.
 - 43 changes related to processing claims were identified, and the first group of 11 was implemented December 1, 2007.
 - 80 changes were identified for client correspondence.
 - 53 changes are scheduled for implementation by June 30, 2008
 - 6 of the top ten issues have been identified to be fully resolved by June 30, 2008

Adult, Disability and Rehabilitation Services

- Nine new resources were added to Developmental Disabilities' efforts to reduce the waiting list. Funding for the FY 2007-08 six-month allocation will be annualized for FY 2008-09 maintaining the nine new resources for the upcoming year.
- New FTE's were allocated to Regional Center staffing during FY 2007-08 to improve the level of care giving to this hard to serve population. These 14 ½ new FTE will annualize to 29 FTE in FY 2008-09.

- 19. Please identify your department's 3 most effective programs and your 3 least effective programs. Explain why you identified them as such. Explain how your most effective programs further the department's goals.**

Response

Three Most Effective Programs:

1) Division of Youth Corrections

- The Division of Youth Correction's Continuum of Care Initiative is showing early indications of very positive impacts. The Continuum of Care Initiative is designed to ensure youth are receiving optimal lengths of service in both residential and non-residential settings, and allow more effective targeting of resources at individual youth risk factors that have proven to be linked to re-offending behaviors. Early outcomes include:
- The Division's commitment population has decreased for the first time in 14 years.
- The Division has seen an overall reduction in both pre-discharge and post-discharge recidivism rates.
- A reduction in the number of youth who have received a re-commitment.

The success of the Continuum Of Care Initiatives furthers the Department goals of Safety, Prevention, and Independence, as well as promoting the Governor's goal of reducing recidivism.

2) Child Support Enforcement

The Child Support Enforcement (CSE) Program has been effective in providing financial and medical assistance for parents and children in Colorado. The CSE staff has made continued improvements in program performance, including:

- % of current support collected improved from 55.5% to 60.3% (FFY2004-07)
- % of arrears cases with a payment improved from 64.9% to 69.6% (FFY2004-07)
- % of caseload with support orders improved from 84.7% to 86.8% (FFY2004-07)
- Cost effectiveness improved from \$3.55 to \$4.11 ratio (dollars spent to dollars collected)
- Reduced child support arrears by 4% (total arrears owed nationally increased over 30%)
- Increasing arrears collections by 24%
- e-CSE website serves as a national model for on-line access to case specific data for parents and child support workers
- For FFY2007 cases with medical support ordered was 82.7% compared to the national overage of 72.9%
- For FFY2007 Colorado had a compliance rate for cases with medical support ordered of 37.4% compared with the national average for FFY2006 of 19.8%

The effectiveness of the Child Support Enforcement Program furthers the Department's goals of independence, and health and well-being.

3) Colorado Works

- The flexibility of the Colorado Works Temporary Assistance for Needy Families (TANF) program enables the Department to effectively and proactively serve Colorado's families. Under a flexible and devolved program, states may tailor their approach to serving families, as long as one of the following four federal purposes of the program are met:

1. Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. Encourage the formation and maintenance of two-parent families.

These guidelines allow the Department to take a proactive and solutions-based approach to serving families by first assisting them with their immediate needs, but more importantly, by helping them achieve self-sufficiency by preventing or ending their dependence on welfare. Beyond the provision of cash assistance, Colorado Works serves its participants through early intervention and preventative services in communities throughout the state.

Through the current work plan the program will further expand its emphasis on prevention and intervention, establishing ongoing cash assistance as the solution of last resort. This approach will help Colorado continue to meet more stringent federal performance standards and maintain the State's position as a national leader in TANF implementation.

The Colorado Works Program supports the Department's goal of independence. Additionally, preventing out-of-wedlock pregnancies, and encouraging two-parent families furthers the health and well-being of children, and often times prevents the need for public services.

Least Effective Programs:

1. Individuals With Dual Diagnosis

- The Department does not have effective programs for serving individuals

who have a dual diagnosis (i.e. mental illness, developmental disabilities, traumatic brain injury, autism, etc.) and who are considered eligible for services from more than one public entity (i.e. child welfare, developmental disabilities and mental health).

Coordinated and comprehensive service provision to this targeted population is not consistent due to:

- The lack of resources (physical and fiscal) to provide an effective treatment program for individuals (children and adults);
- The lack of common policy that provides clear expectations and direction for the public entities involved; and
- Competing interests and priorities of the state and local entities (i.e. overwhelmed and under-funded systems that compete for limited state resources).

2. Developmental Disabilities Waiting Lists

Despite the continued efforts of the Department and the legislature, the waiting list for developmental disability services continues to be a concern. The waiting lists combined with changes associated with the Centers for Medicare & Medicaid Service (CMS) Audit Plan of Correction have impacted the continuity of service provision. The Department and its business partners face significant challenges in effectively providing services to clients and consumers.

3. Child Welfare Audit Findings

Two State Auditor reports identified many deficiencies in Child Welfare operations including missing foster parent training completion records, responsiveness and availability of adverse findings about foster homes, lack of follow through on foster home complaints as well as failure to determine the intent and effectiveness of Core Services. Additionally cited was the practice of not insuring the optimal rate was paid for a child in placement, not knowing the specific source of increases in program costs statewide, lacking knowledge of its own allocation model, failure to obtain federal guidance to improve reimbursements and questionable controls being used to track program expenditures. The Division agreed with the audit and is very concerned about the seriousness of the findings. The Division is aggressively engaged in a plan of correction.

- 20. Are there programs that your department is required to perform that do not further your department's goals or have outlived their usefulness? If so, what are they and by whom are they required? Why don't they further your department's goals?**

Response

The Department has not identified any programs that have outlived their usefulness. However, the Department is constantly assessing the effectiveness of its programs.

Costs and savings from complying with specific bills and orders

- 21. What are your department's anticipated costs, anticipated savings, and potential benefits from complying with Executive Order D 028 07, Authorizing Partnership Agreements with State Employees?**

Response

Administration of the partnership agreement will not require the expenditure of any additional state dollars. The Department will continue to spend time supporting state employees, and as has been the case in the past, this support will be absorbed into existing budgets.

- 22. Provide an estimate of the costs your department will incur in FY 2007-08 in carrying out the provisions of H.B. 06S-1023. Provide an estimate of your department's savings in FY 2007-08 as a result of not providing services to individuals who are in the country illegally.**

Response

With the implementation of HH-06S-1023 the Department submitted an emergency supplemental request for \$276,000 for additional county costs. Specifically, the Department identified the estimated cost to review and copy the required documentation. The supplemental was approved for approximately \$173,000, noting that \$103,000 in costs related to Temporary Assistance for Needy Families (TANF) clients could be funded from the current block grant appropriation. The Department has also received anecdotal evidence that county staffs are incurring additional costs responding to questions and assisting clients in obtaining the required documentation.

Neither the counties nor the Department have identified any specific savings as a result of not providing services to individuals who are in the country illegally. However, it should be noted that most systems do not track the reason an application is not completed.

3:00 – 3:15

County Contingency Study Group Proposal

In 1973, the County Contingency fund was created in CRS§ 26-1-126 that provides funding to county departments of human/social services whose required share of local expenses are disproportionately high in comparison to their assessed valuation. The intent of the fund is to assist in mitigating an inequitable burden born by property tax payers in counties that experience high caseloads and/or low property values.

In 1988 the statutory formula that set the spending threshold above which contingency funds would be distributed was changed from three mills to the number of mills determined by the following formula: Divide the total valuation for the assessment for the calendar year two years preceding of those counties which were entitled to advancements from the county contingency fund for the fiscal year ending June 30 of the preceding year by the total valuation for assessment of those same counties for the preceding calendar year, multiply by three mills, and round the resulting figure to the nearest one-hundredth of a mill. This formula change created an ever-increasing number of qualifying counties resulting in 41 counties receiving County Contingency funds in SFY2006 and 43 counties in SFY2007.

A workgroup was convened by Karen L. Beye, Executive Director of the Colorado Department of Human Services (CDHS), as a result of questions and concerns raised by the Colorado Legislature, especially the Joint Budget Committee, about the purpose and the number of counties receiving County Contingency monies. The workgroup membership was as follows:

Steve Burgess	Commissioner, Lincoln County
Lennie Bottorff	Accountant IV, CDHS
Michael Cain	Joint Budget Committee Analyst (Observer)
Joe Carrica	Director, Otero County Department of Social Services
Sallie Clark	Commissioner, El Paso County
Heather Hewitt	County Oversight Liaison, HCPF
Reginald Jefferson	Director, Office of Financial Services & Operations, CDHS
Kevin Karney	Commissioner, Otero County
Brian Kenna	Director of Finance Services, Adams County
George Kennedy	Director, Douglas County Department of Human Services
Kate Macleod	Colorado Office of State Planning and Budget
Jenise May	Director, Office of County Relations, CDHS
Jose Mondragon	Director, Pueblo County Department of Social Services
Jay Morein	Denver County Department of Human Services
Kathay Rennels	Commissioner, Larimer County
Peter Strecker	Assistant Budget Director, HCPF
Bob White	Director, Routt County Department of Human Services

The workgroup produced a report that included the recommendations of a new formula that reduced the number of counties receiving county contingency. A copy of the report can be made available upon request.

23. Are counties that would receive Tier 1 assistance the poorer counties?

Response

The counties that are in Tier 1 have the lowest assessed valuation per capita.

24. Is the amount of assistance calculated ultimately based on assessed value in the county? If a county exempts property from taxes, will it affect the calculation? Is the calculation affected by any changes in TABOR restrictions that have been approved locally?

Response

The amount of tax base relief is ultimately based on two major factors 1) assessed valuation in the county and 2) the amount of local share required to fund Social Services programs. If the county has the ability to affect the assessed valuation then this would impact the amount of tax base relief the county would receive. The Department is unaware of any such circumstances. Any change to TABOR restrictions does not impact the proposed formula.

25. Please provide a list of the counties that currently receive County Contingency funds and a list of the counties that would probably receive funds under the proposed Property Tax Base Relief formulas, and the amount of funds that each would receive under the two plans.

Response

Please see attachment A

26. Do some counties receive more funds under the proposed plan? Why are counties agreeing to this if it will reduce the amount that they will receive?

Response

Yes. Under the new formula, some counties that receive all three tiers would receive a slight increase in funds.

Counties were aware of the issues with the current county contingency formula and the fact that the current appropriation was not funding the full formula. This resulted in counties already experiencing a shortfall. Counties recognize that the second part of the proposal, transferring the remaining funds to county administration at 100%,

benefits all counties (except base counties) with additional funds, including the counties that will receive a reduction in Tax Base Relief. The Department and the counties' position is that correcting the County Contingency formula, so that only the counties with the greatest tax burden receive relief and transferring the remaining funds to County Administration to assist in funding the County Administration Workload Study conducted by Deloitte Consulting, will result in counties being appropriately funded in the correct appropriations. This proposal results in no net general fund impact, but funds most of the shortfall identified in the County Administration Workload Study and resolves the County Contingency issues.

27. **Does the Department still favor modifying the County Contingency formulas? Would the Department favor having the JBC carry a bill that would make such modifications? Are there alternate sponsors that the Department would prefer?**

Response

The Department is very much in favor of modifying the current County Contingency formula. The Department approached Senator Tapia while he was the Chair of the Joint Budget Committee. The Department would appreciate having the Joint Budget Committee sponsoring this bill and Senator Tapia is interested in being a co-sponsor.

28. **While the study group included representatives from a variety of types of counties (small, large, etc.), not all counties were directly involved. Does the Department believe that the unanimous approval of the group's final report represents wide-spread support among Colorado's 64 counties? If not, can the Department identify any particular groups of counties that are opposed to the proposed change?**

Response

The Department presented this proposal to the County Social Services Directors Association (CSSDA) and to Colorado Counties Inc., (CCI) at its Summer Conference. CSSDA voted to support the proposal and CCI was favorable. CCI will take a formal position in January 2008. The Department anticipates that CCI will support the proposal. At this time, the Department has not received any negative feedback from either the County Directors or County Commissioners.

29. **Based on any feedback that has occurred since the final report was published, does the Department believe that there are modifications that need to be made to the legislation proposed in the final report? If so, what modifications?**

Response

No, the proposal outlined in the report is still accurate and the Department has not identified any changes.

3:15 – 3:30

Colorado Works County Reserve Balances

The Colorado Works Division includes the Colorado Works program, the Domestic Abuse Assistance Program (DAAP), and the Promoting Responsible Fatherhood Grant program. The Division oversees the State's Temporary Assistance for Needy Families (TANF) program. The federal TANF program was reauthorized last year under the Deficit Reduction Act (DRA) and the State faces many new challenges in meeting more stringent federal work participation and verification requirements. The Department must meet the new requirements under the DRA while fulfilling its obligation to provide effective fiscal management for the Colorado Works program. The Department plans to address the issue of growing county reserves by effectively balancing appropriate reserves at the State and county level while maximizing the resources available to assist Colorado's families.

30. What are the purposes of county TANF reserves?

Response

County reserves were established in the original Colorado Works legislation in 1997 to provide counties with fiscal flexibility to respond to an increase in caseload or other significant impacts to the county's program that requires an increase in program capacity. The County Reserve Accounts line item in the Long Bill provides spending authority for counties to spend their county reserves. The county reserves function as a savings account for counties since they are more accessible than other options to increase capacity such as county mitigation, the Short-term Works Emergency Fund, or the Long-Term Reserve Fund.

31. How much of the Colorado state EITC could be restored given current TANF actual spending levels? What other programs could be restored?

Response

Current estimates to restore a State EITC at 10 percent of the federal EITC returns require \$52 million in new funding. The Department could fund a portion of this with federal TANF dollars for one year but could not sustain a long-term funding commitment. Under current law, the Department estimates that the Long-Term Reserve balance for the current State Fiscal Year (SFY) is about \$31 million and \$17

million for SFY 2009. It is the current policy of the Department to set aside about 10 percent of the block grant or \$15 million in the Long-Term Reserve to assure that adequate statewide reserves are available. If \$15 million per year were set-aside to address emergencies and other requests, only \$2 million would be available for SFY 2010. Since Colorado's federal block grant has remained flat and will decrease by about \$13 million beginning in FFY 2009 due to the elimination of the supplemental high growth grants in the DRA, Colorado could not sustain a State EITC funded with federal TANF dollars.

While the Department could not sustain funding a State EITC with federal TANF funds under current law with Long-Term Reserve funds, the State could not access the \$79 million in county reserve dollars either. Section 26-2-714, C.R.S., allows counties to retain 100 percent of their county reserves. A statutory change would be required to allow the State access to the county reserves.

If the General Assembly wished to use federal TANF dollars to fund a State EITC, the only sustainable option available under current law would be to take the dollars "off the top" of the State's block grant. This would then reduce the County Block Grants line, reducing funds available to the counties to administer their programs. Further, if County Block Grants were reduced, the effective percentage that a county is contributing to the block grant, i.e., the county Maintenance of Effort (MOE), increases.

If Colorado used federal TANF funds for a State EITC, there are eligibility concerns as well. For most TANF assistance, families must have children and meet certain income guidelines. However, there are other eligibility requirements, including lawful presence. The current average monthly ongoing cash assistance caseload is about 9,500. There is not current administrative capacity to determine eligibility for as many as 200,000 families.

While the Department is conceptually supportive of a State EITC in its ability to help families move towards self-sufficiency, other initiatives may be successful as well in the case that more TANF dollars become available to the State. The Department has worked with the counties in establishing such a priority list. Some of State and county priorities include:

- CBMS improvements related to TANF;
- Child Welfare initiatives;
- Early childhood development;
- Part C – coordination with Child Welfare clients; and
- Mental health.

Some additional State priorities include:

- Homelessness initiatives;
- Community college programs;

- Workforce center programs;
- Quality control initiatives to ensure compliance with the DRA;
- TANF purposes three and four initiatives;
- Increase grant amount and eligibility threshold for an ongoing assistance grant;
- Guaranteed county reserve balances;
- Increased annual appropriation to the Short-Term Works Emergency Fund;
- Maintain policy to retain an adequate Long-Term Reserve balance as a rainy day fund;
- Prisoner reentry programs;
- One-stop (community resource) centers; and
- Performance incentives for counties.

The Department plans to propose fiscal strategies in 2008 legislation that will enable the State to maintain a more sustainable Long-Term Reserve to accomplish some of these promising initiatives to help Colorado's families gain self-sufficiency.

32. What factors have caused the large increases in county reserves in recent fiscal years? Does the Department anticipate that the counties will continue to grow their reserves rapidly?

Response

In 2004, the General Assembly passed SB 04-014. This bill amended section 26-2-714 (5) (a) to allow counties to retain, at the end of each SFY, the entire balance of county block grant funds remaining in the county's reserve account. Prior to that change, counties were required to remit 50 percent of the amount deposited in their reserve account in the current SFY that was in excess of 20 percent of their total block grant in the current SFY.

Since this change in 2004, reserves have grown significantly. In SFY 2005, the county reserves account balance was \$35,471,635. In SFY 2007, the balance was \$79,820,105. That is an increase of 125.03 percent. As of September 30, 2007, additional unspent TANF transfers to Child Care totaled \$39,899,391, and unspent TANF transfers to Child Welfare totaled \$16,662,726 for a total of unspent TANF dollars held between the three programs at \$136,546,443. Some of the increase can be attributed to SB 04-014 that allowed counties to retain their total balance of block grant funds in reserve. The major factor contributing to large county reserves is the fact that counties are not spending their total county block grant allocations. While block grant funding has remained relatively constant, counties, on average, are only spending about 75 percent of their allocation. Ongoing cash assistance caseloads, which on average make-up about 40 percent of total spending, are going down. These caseloads have decreased by 18.23 percent since SFY 2005. The Department

expects this downward trend in caseloads to continue; in the last available report month for caseloads, the average monthly caseload was 9,467.

Under current law, and if spending and caseload trends continue, the Department anticipates that the counties will continue to grow their reserves rapidly. However, the Department plans to propose legislation in 2008 (Colorado Works Omnibus) that will address this issue. This legislation will limit counties to retain unspent TANF dollars in county reserves and transfers to Child Care and Child Welfare to 50 percent of their prior year's allocation in SFY 2010. In SFY 2011, counties will be limited to 40 percent of their prior year's allocation, and in SFY 2012 and beyond, they will be limited to 30 percent. If this legislation passes, counties will have until June 30, 2009 to spend down their reserves. Whatever they do not spend in excess of the cap will revert to the Long-Term Reserve.

33. What are the advantages and disadvantages of accumulating large TANF reserves? What are the advantages and disadvantages of accumulating large reserves at the county level rather than at the state level?

Response

There are advantages to allowing counties to retain some reserves. In a devolved State-supervised, county-administered system, county reserves provide counties with fiscal flexibility to respond to an increase in caseload or other significant impacts, including emergencies, which requires an increase in program capacity. Counties are better equipped to respond to local impacts than the State. However, there are no advantages to accumulating reserves of this size. Rather, the federal government is scrutinizing the State as the percentage of its unspent TANF dollars in relation to its overall block grant continues to rise.

It is important to note that neither county nor State reserves are "money in the bank." Rather, the dollars are held in Washington, D.C., and the State has a letter of credit assuring us that the funds are available when and if we need to spend them. The dollars do not become "ours" until we spend them.

In a State-supervised, county-administered program, there are advantages to allowing a reasonable amount of reserves to be held at the county level. At the same time, this must be balanced with adequate reserves held at the State level for statewide needs. The Department's policy has been to retain at least 10 percent of the total block grant, or \$15 million, in the Long-Term Reserve. This policy assures that adequate statewide reserves are available while balancing the Department's intent to make funds available at the county level for program administration and service delivery. However, as county reserves continue to grow, large county reserves become disadvantageous as the State has an obligation under its supervisory and fiscal

responsibilities to the federal government to address any concerns regarding inappropriate levels of unspent TANF funds at the local level. The Department will address this issue in 2008 legislation.

34. Does the Department believe that the State has an interest in considering county reserve balances in making block grant allocations?

Response

The Department does believe that the State has an interest in considering county reserve balances in making block grant allocations. However, the current Works Allocation Committee (WAC) allocation process and funding formula continues to demonstrate the successful partnership between the State and counties in allocating TANF block grant funds. The WAC has recently discussed this issue in recent deliberations regarding growing county reserves. Some counties have resisted the notion of considering reserves as part of the allocation formula based on the ability to manage their own block grant dollars. The current allocation formula does indirectly consider reserves in that the size of a county's allocation is based on either the growth or decline in the county's prior year expenditures. The Department believes that its legislative strategy for 2008, developed in partnership with counties, to cap county reserves will address this problem without the need to change additional statutes regarding the State's ability to consider county reserve balances in making the allocations.

3:30 – 3:40

Promoting Responsible Fatherhood Grant questions

In September 2006, the State was awarded a Promoting Responsible Fatherhood Grant from the federal government. Colorado will receive about \$2.0 million in federal funds per year for FFY 2007 through FFY 2011. The grant requires a ten percent match from the State, bringing the annual grant total to \$2,222,222. The purpose of the Promoting Responsible Fatherhood grant program is to improve the well being of children by building community access across Colorado to fatherhood programs and services. These programs will help engage non-custodial fathers in the lives of their children. The intent is that these fathers will provide additional financial and non-financial support to their families and help fulfill the purposes of the TANF program.

35. How many years has this program been in operation? How does the Department measure the effectiveness of this program? Has the program been successful?

Response

The program has been in operation for about one year. Colorado is one of only two

grantees to receive the Community Access Program grant. The Department has established a formal evaluation process that includes the development of a Management Information System (MIS) to measure the success of the program.

The MIS will track participants from the point of referral and continue to follow them through the program. The MIS will provide timely information on the levels of program participation and the characteristics of participants. Information will include types of referrals, enrollment and participation characteristics, and program outcomes, including whether or not the program changed the participants' level of knowledge and understanding of marriage and parenting issues, and whether or not the program increased economic stability for the participants.

The Department has convened an evaluation advisory committee and has contracted with the Lewin Group, who is also conducting the five-year overall program evaluation of Colorado Works, to conduct the evaluation and to design the MIS. After the MIS is developed, the Department will track outcomes from the administrative data, conduct a qualitative study, and produce annual reports for the evaluation advisory committee, the federal government, and other stakeholders.

Despite the fact that the program is very new, interest from Colorado's communities in the grant has been phenomenal and the initiation phase has been very successful. This past October, a popular media campaign was kicked off with support from the Governor's Office. Since its kickoff in October, the campaign's website <http://www.coloradodads.com> has generated over 174,993 hits from just over 10,000 unique visitors. The Department has been very busy educating staff, establishing stakeholder committees, issuing the initial grants, and working with grantees regarding technical assistance and capacity building.

The Fatherhood Grant supports programs throughout Colorado that provide a range of services to fathers to stabilize families, increase self-sufficiency, and prevent intergenerational welfare dependency. These programs vary considerably in content and mission, and provide a variety of services to fathers that go beyond employment and training services. In regards to the fatherhood program scope, some programs focus on fathers' economic prospects by helping them attain skills and employment; others provide parenting instruction while still others work with fathers to establish paternity and child support orders for their children. Another area of programming provides help to non-custodial fathers in regards to access and visitation issues. Additionally, programs provide support groups where fathers can learn from each other.

All funded programs, including five counties and 33 community and faith-based organizations, are required to develop a collaborative relationship with their county's department of human services and a local domestic violence service provider.

36. What is the current status of the program to intercept delinquent child support payments? Is the Department working with the Treasurer to implement this program?

Response

The Division of Child Support Enforcement (CSE) conducts a variety of different monetary intercepts for the purpose of enforcing delinquent child support obligations. The types of funds intercepted include IRS and state tax refunds, worker's compensation benefits, unemployment benefits and lottery winnings. We are currently in the process of implementing two new intercepts:

- 1) CSE is working with the State Treasurers' Office to intercept delinquent child support payments for the Unclaimed Property Offset provision in 26-13-118.5 C.R.S. Currently the Treasure's Office is unable to receive the CSE file in a secure manner. A CSE programmer has been working with the Mainframe Network Administrator, Division of Information Technology, as well as the programmer at the Treasure's Office regarding options for completing the file transfer.
- 2) CSE is also working with the Department of Revenue to implement the "Gambling Payment Intercept Act". The casinos and racetracks will begin intercepting winning of obligors who are delinquent in their child support payments effective July 1, 2008. There is a workgroup consisting of employees from CSE, the Divisions of Gaming and Racing, representatives from Colorado.gov and others from the Department of Revenue. The project is on target for the July 1 deadline.

3:40 – 3:50

Supplemental Security Income Federal Maintenance of Effort

The Colorado Department of Human Services, Office of Adult, Disability, and Rehabilitation Services includes:

- The Division of Aging and Adult Services,
- The Division for Developmental Disabilities, and
- The Division of Vocational Rehabilitation Services.

This Office oversees the continuum of services to Colorado’s vulnerable populations to promote their health, safety, personal choice, independence, and improved quality of life.

Services provided by the Division of Aging and Adult Services include financial assistance, adult protection, Older Americans Act programs that include nutrition, transportation, ombudsman and legal assistance, caregiver support, abuse prevention, health promotion, and employment services. This Division impacts over 70,000 citizens’ lives.

37. How many other states are failing to meet their MOE requirements?

Response

A call has been placed to the Social Security Administration for this information. A formal response will be forthcoming from their central office. Once the formal response is received the Department will submit this to the Committee.

38. If the State continues to meet corrective actions, would the federal government be able to impose sanctions?

Response

A call has been placed to the Social Security Administration for this information. A formal response will be forthcoming from their central office. Once the formal response is received the Department submit this to the Committee.

39. Why would it cost an extra \$10 million per year for the State to switch back to a pass-through MOE test?

Response

In order to return to the pass-along method for the Maintenance of Effort (MOE), Colorado must restore the OAP grant standard to the level it was in 1983, which would be an additional increase of \$35.

For example, the current standard is \$25 dollars over the current SSI amount:

OAP grant 2007	\$648
SSI amount 2007	\$623
Amount added in 2007	\$25

When the State changed to the expenditure test, the OAP maximum grant amount was \$60 dollars over the SSI amount:

OAP grant 2007	\$648
To bring grant to expenditure test amount	\$60
	\$708
Less Amount added in 2007	\$25
New OAP maximum grant amount	\$683

The OAP grant standard would have to be increased by an additional \$35. The amount over the current grant standard less the amount of the increase in 2007 \$60 - \$25 = \$35 or \$683-\$648= \$35

To maintain the MOE, the full SSI Cost of Living Adjustment (COLA) would have to be added to the grant amounts annually. The \$10 million impact is a result of the incremental cost to all individuals as a result of increasing the OAP grant amount.

OAP Grant Recipients	Increase per month	# of months	Total increase each year
23,000	\$35	12	\$9,660,000

This cost would be permanently added to the OAP program. This figure does not include any additional individuals who would be eligible for the OAP program due to the increase in the grant standard of \$683 per month.

3:50 – 4:00

Aid to the Needy Disabled - State Only Overexpenditures

- 40. Has the Department identified any problems with its methods for estimating future recoveries used to fund the AND-SO program? If so, does the Department believe those problems have been rectified?**

Response

The Department believes that the method used to estimate future recoveries, i.e. the Interim Assistance Reimbursement (IAR) collections, is accurate and that all reporting and communication issues with Federal agencies have been resolved.

Since resolution, IAR collections have averaged approximately \$300,000 per month and are on target to meet the required levels needed for revenue purposes.

- 41. Does the Department believe that delays in county processing are temporary, or are they part of a longer-term trend? Has the Department been able to identify the**

underlying causes that have led to county processing delays? If so, are those causes likely to affect programs other than AND-SO?

Response

The Department believes the delay in county processing of the AND-SO applications is temporary. The Department continues to monitor applications for compliance with processing guidelines and requirements. The Department works cooperatively with County offices to limit the number of applications beyond processing guidelines. One cause of the processing delays may be a result of the AND-SO application process, specifically the requirement to have a health professional perform a disability exam and complete the Med –9 form. Rules have been changed to allow counties to better negotiate the rates of the health professional reimbursement for the Med –9 exams. This change to the AND-SO regulations should increase the availability of health professionals willing to complete the disability exams, which may positively impact application-processing time.

4:00 – 4:15

Other Questions

- 42. How was the increase for the Old Age Pension request calculated? What amount is due to increase in number of clients? What amount is for an inflation factor (COLA)? What inflation factor was used?**

Response

The OAP request was tied to the Social Security Administration Cost of Living Adjustment (COLA). The COLA adjustment is 2.3 %. The method used to estimate the OAP expenditures takes into account the full COLA added to the OAP grant. There are no projected increases to the OAP caseload.

- 43. Why have so many staff at the Sol Vista facility been injured? What types of injury have been suffered? Are there ways to prevent these injuries?**

Response

Many variables determine the frequency of injury in an organization. The most obvious of these is the level of risk associated with the various tasks employees are asked to perform in conducting the business operations each day. Sol Vista Youth Services Center (SVYSC) is unique among Division of Youth Corrections (DYC) facilities in Colorado in that it attempts to identify, treat and reform the most violent and mentally ill males in the state's juvenile justice system. Basically, SVYSC takes the cases deemed as too difficult by other facilities.

However, SVYSC operates under the same state and federal statutes and standards that dictate treatment and detention of youth as the other facilities in the DYC system. For instance, staff are only allowed to use verbal de-escalation and a physical restraint technique known as PPCT to defend themselves and restrain violent and physically aggressive juveniles. Additionally, state statutes provide for strict regulation of the use of seclusion, isolation and restraint.

The fact that SVYSC is a new facility staffed with employees who, in many cases, have not worked together before has influenced the potential for injury during the short time it has been operating. If turnover among staff can be limited to a rate similar to other such facilities, this factor may have less relative influence over the next 12 to 24 months.

Sol Vista Youth Services Center

Number of Worker's Comp Claims FY07	Cause of Injury
16	Patient restraint/assault
1	Strain – lifting
Number of Worker's Comp Claims FY08 (as of 12/12/07)	Cause of Injury
8	Patient restraint/assault
1	Strain – holding /carrying
1	Foreign body in eye
1	Misc – caught in or between
1	Misc – strain or injury

Data source – Pinnacol Assurance

Injury Prevention -

Most organizations, including SVYSC, use traditional safety programs focusing on environmental factors, hazard identification and employee training to reduce occupational injuries. Training is usually specific to a task or job that has a higher than average risk of injury. Traditional programs often fall short in injury prevention because they fail to encompass a process that considers the whole safety culture – persons, behaviors and the environment – and how the various parts of the culture interact and influence each other. These programs frequently use a single piece of data, the number of injuries, to measure success and, hopefully, motivate future success.

Behavior based safety (BBS) is an occupational safety process that organizations use to significantly reduce work-related injuries. BBS helps an organization transform its safety culture by monitoring, tracking and reinforcing individual safe behaviors and by developing better measures of safety performance for use by managers, supervisors, employees and separate work units within the organization. At the core of the BBS process is the observation and feedback process. Employees engage in

observation and feedback sessions, using a checklist to provide formal measures of safety performance. Ultimately, employees will utilize informal techniques to observe and provide feedback on safety related behavior.

Organizations that successfully implement BBS have experienced a substantial reduction in injury rates. According to one source, organizations implementing the BBS process experienced on average a 29% reduction in recordable injury rates after the first year, a 50% reduction in year two, and a 72% reduction by year five.

For the last 8 months, the Department's risk management section has targeted four separate organizations with a BBS development effort, one in each of the four major types of direct care environments within the Department. Included as target organizations are the Mount View Youth Services Center (DYC), the Grand Junction Regional Center (developmental disabilities), Colorado Mental Health Institute at Pueblo (mental illness), and the Trinidad State Veterans Nursing Home (veterans and geriatric).

Future efforts to expand BBS processes will be phased at the remaining facilities, which includes Sol Vista Youth Services Center.

4:15 – 4:30

Questions regarding the food stamp fine:

- 44. Can the Department provide a probable time frame when the food stamp case will go to trial, and when such a trial might conclude? Is there any reasonable possibility of reaching a settlement involving a reduced fine with the federal Department of Agriculture before the trial starts, or prior to the court rendering its verdict?**

Response

The department has consulted with the Attorney General's Office and will address this question with the committee in executive session.

- 45. Will a district court decision be final, or are other appeals – by either the State or the federal government – possible? Can the departments make a reasonable estimate of when funding for the fine may be needed?**

Response:

A scheduling conference is set for January 24, 2008. It is very unlikely that a trial could be scheduled until late 2008. There is a reasonable possibility of settling the case by the end of February 2009.

46. If the State prevails in court, to what degree is the food stamp fine likely to be reduced?

Response

If the case does not settle, the district court's decision is subject to appeal by either party. If either party were to appeal, a final decision would not come until nearly a year after the district court decision.

Attachment A – Estimated Distribution Under County Tax Base Relief

FIPS-County	DISTRIBUTION UNDER CURRENT COUNTY CONTINGENCY	ESTIMATED DISTRIBUTION UNDER TAX BASE RELIEF
001 Adams	1,278,520.29	219,739.20
003 Alamosa	156,672.37	325,853.58
005 Arapahoe	456,889.95	0.00
007 Archuleta	0.00	0.00
009 Baca	13,943.64	0.00
011 Bent	57,127.46	104,987.80
013 Boulder	0.00	0.00
015 Chaffee	31,097.12	0.00
017 Cheyenne	0.00	0.00
019 Clear Creek	6,967.91	0.00
021 Conejos	61,850.39	128,326.32
023 Costilla	35,553.19	24,893.27
025 Crowley	31,135.18	55,838.18
027 Custer	1,250.04	0.00
029 Delta	111,167.23	72,115.08
031 Denver	3,178,348.92	809,568.84
033 Dolores	1,343.87	0.00
035 Douglas	0.00	0.00
037 Eagle	0.00	0.00
039 Elbert	17,330.44	0.00
041 El Paso	1,753,109.89	329,967.50
043 Fremont	206,337.25	195,971.48
045 Garfield	0.00	0.00
047 Gilpin	0.00	0.00
049 Grand	0.00	0.00
051 Gunnison	0.00	0.00
053 Hinsdale	0.00	0.00
055 Huerfano	41,397.15	13,724.40
057 Jackson	0.00	0.00
059 Jefferson	187,195.82	0.00
061 Kiowa	8,609.45	603.55
063 Kit Carson	14,429.59	0.00
065 Lake	27,679.79	5,693.69
067 La Plata	0.00	0.00
069 Larimer	480,389.35	0.00
071 Las Animas	8,306.00	0.00
073 Lincoln	39,151.15	38,333.58
075 Logan	106,179.38	111,940.91
077 Mesa	636,698.33	508,848.92

FIPS-County	DISTRIBUTION UNDER CURRENT COUNTY CONTINGENCY	ESTIMATED DISTRIBUTION UNDER TAX BASE RELIEF
079 Mineral	0.00	0.00
081 Moffat	0.00	0.00
083 Montezuma	62,812.40	0.00
085 Montrose	142,177.00	42,829.90
087 Morgan	136,178.36	37,492.69
089 Otero	136,981.09	272,138.61
091 Ouray	0.00	0.00
093 Park	0.00	0.00
095 Phillips	8,552.97	0.00
097 Pitkin	0.00	0.00
099 Prowers	110,827.13	175,121.54
101 Pueblo	1,025,141.23	1,789,437.24
103 Rio Blanco	0.00	0.00
105 Rio Grande	89,034.00	109,375.36
107 Routt	0.00	0.00
109 Saguache	44,425.69	73,067.66
111 San Juan	0.00	0.00
113 San Miguel	0.00	0.00
115 Sedgwick	7,396.58	0.00
117 Summit	0.00	0.00
119 Teller	54,897.14	0.00
121 Washington	15,433.52	0.00
123 Weld	276,695.33	0.00
125 Yuma	10,087.41	0.00
159 Broomfield	0.00	0.00
TOTAL	11,069,321.00	5,445,869.30